



## STATE OF WISCONSIN

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**Governor Scott Walker**

**Secretary Dave Ross**

### **Positions Statements Related to Real Estate Appraisal Issued by the Real Estate Appraisers Board**

#### **DO I NEED A LICENSE OR CERTIFICATION IN ORDER TO PERFORM APPRAISALS IN WISCONSIN?**

The answer is no for "non-federally related transactions" and yes for "federally related transactions."

Non-federally related transactions: A credential is not required to perform appraisals involving "non-federally related transactions". Refer to [Wis. Stats.s. 458.02](#), which provides that an individual is not prohibited from practicing as an appraiser without a credential; provided that the individual does not use titles as prohibited under s. 458.055, Stats.

Federally related transactions: A credential is required to perform appraisals involving "federally related transactions". Refer to 12 U.S.C. 3342, which provides that a State certified appraiser shall be required for all federally related transactions having a value of one million dollars or more and that 1-to-4 unit, single family residential appraisals may be performed by State licensed appraisers unless the size and complexity requires a State certified appraiser.

#### **MAY AN INDIVIDUAL WHO IS NOT A LICENSED OR CERTIFIED APPRAISER ASSIST IN THE PREPARATION OF AN APPRAISAL?**

Yes. An individual who is not a State certified or licensed appraiser may assist in the preparation of an appraisal if: 1) the assistant is under the direct supervision of a licensed or certified individual; and 2) the final appraisal document is approved and signed by an individual who is certified or licensed. Refer to 12 U.S.C. 3351.

#### **ARE LICENSED AND CERTIFIED APPRAISERS REQUIRED TO CONDUCT ON-SITE INSPECTIONS OF THE REAL ESTATE THAT THEY APPRAISE**

No. [Wis. Stats. ch. 458.19\(1\)](#), states, in part, that if an appraiser has not conducted an on-site inspection of the real estate for which the appraisal report is prepared, the appraiser must include a statement in the appraisal report that the appraiser has not done so. [Wis. Stats. Ch. 458.19\(2\)](#), states that if any buildings or dwelling units are located on the real estate for which the appraisal report is prepared and the appraiser has not conducted an on-site inspection of both the exterior and the interior of each building or dwelling unit, the appraiser must include a statement in the appraisal report that the appraiser has not done so.

#### **HOW LONG ARE LICENSED AND CERTIFIED APPRAISERS REQUIRED TO MAINTAIN RECORDS RELATING TO APPRAISAL TRANSACTIONS?**

In most cases, licensed and certified appraisers are required to maintain records for at least 5 years. If the performance of an appraisal results in litigation, licensed and certified appraisers are required to maintain records for at least 2 years after the termination of any litigation related to the transaction for which the appraisal report was prepared. Refer to [Wis. Stats. Ch. 458.18](#).

### **WHAT IS THE SCOPE OF PRACTICE OF LICENSED APPRAISERS?**

Licensed appraisers may conduct appraisals of complex 1-to-4 family residential property having a transaction value of not more than \$250,000; non-complex 1-to-4 family residential property having a transaction value of not more than one million dollars, and commercial real estate having a transaction value of not more than \$250,000. Refer to [REEB 81.05\(3\)](#), Wisc. Admin Code.

### **WHAT IS THE SCOPE OF PRACTICE OF CERTIFIED RESIDENTIAL APPRAISERS?**

Certified residential appraisers may conduct appraisals of residential real estate without regard to transaction value and of commercial real estate having a transaction value of not more than \$250,000. Refer to [REEB 81.05\(2\)](#), Wisc Admin Code.

### **WHAT IS THE SCOPE OF PRACTICE OF CERTIFIED GENERAL APPRAISERS?**

Certified general appraisers may conduct appraisals of residential real estate and commercial real estate without regard to transaction value. Refer to [REEB 81.05\(1\)](#).

### **HOW IS THE TERM "TRANSACTION VALUE" DEFINED?**

The term "transaction value" is defined in [REEB 80.03\(15\)](#) to mean one of the following:

- (1) For loans or other extensions of credit, the amount of the loan or extension of credit.
- (2) For sales, leases, purchases, and investments in or exchanges of real property, the market value of the real property interest involved.
- (3) For the pooling of loans or interests in real property for resale or purchase, the amount of the loan or market value of the real property calculated with respect to each such loan or interest in real property.

### **HOW IS THE TERM "COMPLEX 1-4 FAMILY RESIDENTIAL PROPERTY APPRAISAL" DEFINED?**

The term "complex 1-to-4 family residential property appraisal" is defined in [REEB 80.03\(5\)](#) to mean an appraisal of 1-to-4 family residential property in which the property to be appraised, the form of ownership, or market conditions are atypical.

## **WHO DECIDES IF AN APPRAISAL IS COMPLEX?**

Under federal law, financial institutions are responsible for making the final determinations of whether appraisals are complex. A financial institution may presume that appraisals of 1-to-4 family residential properties are not complex, unless the institution has readily available information that a given appraisal will be complex. If during the course of the appraisal a licensed appraiser identifies factors that would result in the property, form of ownership, or market conditions being considered atypical, the financial institution must either ask the licensed appraiser to complete the appraisal and have a certified appraiser approve and cosign the appraisal, or engage a certified appraiser to complete the appraisal. Refer to 12 CRF 225.63.

## **WHAT PROFESSIONAL STANDARDS ARE LICENSED AND CERTIFIED APPRAISERS REQUIRED TO FOLLOW WHEN CONDUCTING REAL ESTATE APPRAISALS?**

Licensed and certified appraisers are required to comply with the Uniform Standards of Professional Appraisal Practice (USPAP) when conducting appraisals involving federally related and non-federally transactions. Refer to [REEB Ch. 86](#) for additional details on standards of conduct.

## **WHO PUBLISHES THE UNIFORM STANDARDS OF PROFESSIONAL APPRAISAL PRACTICE?**

The Uniform Standards of Professional Appraisal Practice is published by the Appraisal Standards Board (ASB) of the Appraisal Foundation. The Appraisal Foundation is a non-profit organization. The original USPAP became effective on April 27, 1987.

## **WHERE CAN I OBTAIN A COPY OF THE USPAP?**

The USPAP may be purchased from the Appraisal Standards Board of the Appraisal Foundation by writing to the Foundation at 1029 Vermont Avenue, N.W., Suite 900, Washington, D.C. 20005 or by calling (202) 347-7722. An electronic copy of the USPAP is available, at no cost, on the Appraisal Foundation's website at: <http://www.appraisalfoundation.org>.

## **WHAT VERSION OF THE USPAP ARE LICENSED AND CERTIFIED APPRAISERS REQUIRED TO COMPLY WITH WHEN CONDUCTING REAL ESTATE APPRAISALS?**

All appraisals performed in connection with federally related transactions and non-federally transactions must conform to the version of the USPAP incorporated by reference in [Chapter REEB 86, Appendix I](#).

**HOW MANY HOURS OF USPAP CONTINUING EDUCATION ARE LICENSED AND CERTIFIED APPRAISERS REQUIRED TO COMPLETE BIENNIALY IN ORDER TO RENEW THEIR CREDENTIALS?**

Licensed and certified appraisers are required to complete at least 28 hours of continuing education in each biennial period which shall include successful completion of the 7-hour uniform standards of professional appraisal practice course or its equivalent that is approved by the Appraiser Qualifications Board (AQB) of the Appraisal Foundation. Course equivalency shall be determined through the AQB course approval program or by an alternate method established by the AQB. Requirements for continuing education are covered in [Ch REEB 85](#), Wisc. Admin Code.

**CAN A LETTER OF TRANSMITTAL AND CERTIFICATE OF APPRAISAL REPORT INCLUDE THE NAME OF AN UNLICENSED WI APPRAISER?**

Yes, per [Wis. Stats. 458.02](#) nothing in the statutes or code relating to real estate appraisals can prohibit an uncertified or unlicensed appraiser from co-signing with a certified or licensed appraiser. However, the unlicensed individual must comply with the conduct stipulated in [Wis. Stats. 458.055](#).